

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

E-01787A

N

Navopache Electric Cooperative, Inc.
1878 West White Mountain Blvd.
Lakeside, AZ 85929

RECEIVED

ANNUAL REPORT

AZ CORP COMM
Director Utilities

FOR YEAR ENDING

12	31	2006
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FOR COMMISSION USE

ANN 01	06
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PROCESSED BY:

3-8-07 RF

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Navopache Electric Cooperative, Inc.

Mailing Address 1878 West White Mtn. Blvd.
(Street)

Lakeside

(City)

Arizona

(State)

85929

(Zip)

928 368-5118

Telephone No. (Include Area Code)

928 368-6038

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address podair@navopache.org

Local Office Mailing Address 1878 West White Mtn. Blvd.
(Street)

Lakeside

(City)

Arizona

(State)

85929

(Zip)

928 368-5118

Local Office Telephone No. (Include Area Code)

928 368-6038

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address podair@navopache.org

MANAGEMENT INFORMATION

Management Contact: Paul Q'Dair Manager of Financial Services

(Name)

(Title)

1878 West White Mountain Blvd. Lakeside, AZ 85929

(Street)

(City)

(State)

(Zip)

928 368-5118

Telephone No. (Include Area Code)

928 368-6038

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address podair@navopache.org

On Site Manager: Dennis Hughes Acting General Manager

(Name)

1878 West White Mountain Blvd., Lakeside, AZ 85929

(Street)

(City)

(State)

(Zip)

928 368-5118

Telephone No. (Include Area Code)

928 368-6697

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address dhughes@navopache.org

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Marilynn Short

(Name)

1878 West White Mtn. Blvd

(Street)

(City)

(State)

(Zip)

928 368-5118

Telephone No. (Include Area Code)

926 368-6697

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Curtis, Goodwin, Sullivan, Udall & Schwab P.L.C.

(Name)

501 East Thomas Road

(Street)

Phoenix

(City)

Arizona

(State)

85012

(Zip)

602 393-1700

Telephone No. (Include Area Code)

602 393-1703

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☒ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☒ APACHE

☐ COCHISE

☐ COCONINO

☒ GILA

☐ GRAHAM

☒ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☒ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

SERVICES AUTHORIZED TO PROVIDE

Check the following box/es for the services that you are authorized to provide:

☒ **Electric**

- ☐ Investor Owned Electric
- ☒ Rural Electric Cooperative
- ☐ Utility Distribution Company
- ☐ Electric Service Provider
 - ☐ Transmission Service Provider
 - ☐ Meter Service Provider
 - ☐ Meter Reading Service Provider
 - ☐ Billing and Collection
 - ☐ Ancillary Services
 - ☐ Generation Provider
 - ☐ Aggregator/Broker

☐ **Telecommunications**

- ☐ Incumbent Local Exchange Carrier
- ☐ Interexchange Carrier
- ☐ Competitive Local Exchange Carrier
- ☐ Reseller
- ☐ Alternative Operator Service Provider

☐ **Gas**

- ☐ Natural Gas
- ☐ Propane

☐ **Other (Specify)** _____

STATISTICAL INFORMATION

TELECOMMUNICATION UTILITIES ONLY

Total residence local exchange access lines	_____
Total business local exchange access lines	_____
Total revenue from Arizona operations	\$ _____
Total income from Arizona operations	\$ _____
Value of assets used to serve Arizona customers	\$ _____
Accumulated depreciation associated with those assets	\$ _____

STATISTICAL INFORMATION (CONT'D)

ELECTRIC UTILITY PROVIDERS ONLY

Total number of customers	36,900	
Residential	33,294	
Commercial	3,453	
Industrial	5	
Public street and highway lighting	95	
Irrigation	53	
Resale		
Total kilowatt-hours sold	383,533,217	kWh
Residential	211,214,662	
Commercial	135,244,324	
Industrial	29,312,280	
Public street and highway lighting	636,032	
Irrigation	7,125,919	
Resale		
Maximum Peak Load	73,192	MW

GAS UTILITIES ONLY

Total number of customers		
Residential		
Commercial		
Industrial		
Irrigation		
Resale		
Total therms sold		therms
Residential		
Commercial		
Industrial		
Irrigation		
Resale		

VERIFICATION
AND
SWORN STATEMENT

RECEIVED

Intrastate Revenues Only

42 CORP COMM
Director Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
Navajo
NAME (OWNER OR OFFICIAL) TITLE
Paul O'Dair Manager of Financial Services
COMPANY NAME
Navopache Electric Cooperative, Inc.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 39,338,424

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 2,318,593
IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)


SIGNATURE OF OWNER OR OFFICIAL
928 368-5118

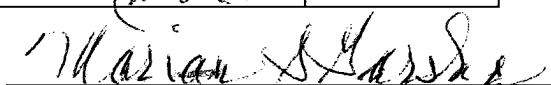
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS March 17, 2007 DAY OF
(SEAL)

COUNTY NAME
Navajo
MONTH
March
YEAR
2007


SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES Aug 25, 2012

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE

INTRASTATE REVENUES ONLY

RECEIVED

ARIZONA CORP COMM
Director Utilities

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	
NAME (OWNER OR OFFICIAL)	TITLE
COMPANY NAME	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ _____

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

N/A electric cooperative

X

SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

--

DAY OF

(SEAL)

MY COMMISSION EXPIRES

NOTARY PUBLIC NAME	
COUNTY NAME	
MONTH	.20__

X

SIGNATURE OF NOTARY PUBLIC

FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2006) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

1. Please find enclosed the annual RUS Form 7 report for Navopache Electric Cooperative Inc. This report is for the entire system and includes Arizona and New Mexico.
2. Please also find enclosed an estimate only Statement of Operations and Balance Sheet for Arizona. Navopache does not distinguish or separate Arizona and New Mexico. These are estimates only.

ARIZONA ESTIMATE ONLY - INTERNAL USE ONLY

	statement of operations	2006		ARIZONA
	item		SYSTEM	ESTIMATE
1	operating revenue	\$38,160,523		\$37,019,831
3	cost of power	\$19,306,982		\$18,810,340
4	transmission expense	\$98,351		\$90,641
5	dist expense - operations	\$3,233,100		\$2,979,646
6	dist expense - maintenance	\$1,860,728		\$1,714,859
7	consumer accounts expense	\$2,498,179		\$2,397,362
8	customer service & info.	\$301,715		\$289,539
9	sales expense	\$234,966		\$225,484
10	administrative & general	\$3,294,684		\$3,161,723
11	TOTAL OPERATIONS	\$30,828,705		\$29,669,594
12	depreciation & amortization	\$2,877,961		\$2,730,766
13	tax expense - property	\$22,154		\$21,021
14	tax expense - other	\$44,203		\$42,882
15	interest expense long term	\$2,266,328		\$2,150,415
17	interest expense other	\$41,358		\$39,243
18	other deductions	\$24,890		\$23,886
19	COST OF ELECTRIC SERVICE	\$36,105,599		\$34,677,806
20	OPERATING MARGINS	\$2,054,924		\$2,342,025
21	non-operating margins interest	\$249,650		\$239,575
	non-operating margins	(\$65,862)		(\$63,204)
25	G&T capital credits	\$0		\$0
26	other capital credits	\$93,235		\$89,472
27	extraordinary items	\$0		\$0
28	MARGINS	\$2,331,947		\$2,607,869
	TIER	2.03		2.21

ARIZONA ESTIMATE ONLY - INTERNAL USE ONLY

2006

	balance sheet item	SYSTEM	ARIZONA ESTIMATE
1	total utility plant	\$98,813,958	\$93,585,949
2	construction wip	\$3,404,160	\$3,275,739
3	total utility plant	\$102,218,118	\$96,861,688
4	depreciation & amort.	\$40,684,815	\$38,745,323
5	net utility plant	\$61,533,303	\$58,116,365
8	Invest. in Asso. Org. patronage	\$319,322	\$302,990
9	Invest. in Assoc. org. other general	\$114,902	\$109,025
10	Invest. in Assoc. org. other non-general	\$1,350,007	\$1,280,960
12	other investments	\$56,054	\$56,054
13	special funds	\$0	\$0
14	total other property & investments	\$1,840,285	\$1,749,029
15	cash - general funds	\$313,733	\$302,001
16	cash construction funds	\$5	\$5
17	special deposits	\$252,633	\$252,633
18	temporaty investments	\$3,350,988	\$3,179,600
19	notes receivable - net	\$7,119	\$6,832
20	accounts receivable net	\$2,817,789	\$2,704,074
21	accounts receivable net other	\$150,648	\$144,568
22	materials and supplies	\$2,640,607	\$2,553,832
23	prepayments	\$254,997	\$244,751
24	other current and accrued assets	\$201,803	\$191,482
25	total current and accrued assets	\$9,990,322	\$9,579,778
27	deferred debits	\$252,931	\$239,995
28	TOTAL ASSETS & OTHER DEBITS	\$73,616,841	\$69,685,167
29	memberships	\$157,565	\$149,910
30	patronage capital	\$17,136,625	\$16,027,918
31	operating margins prior years	(3,773,577)	(3,621,290)
33	operating margins	\$2,148,158	\$2,435,259
34	non-operating margins	\$183,788	\$172,608
35	other margins & equities	\$906,896	\$870,297
	total margins and equities	\$16,759,455	\$16,034,703
37	long-term debt REA	\$38,957,658	\$36,965,144
40	long-term debt other	\$7,387,220	\$7,009,396
	total long term debt	\$46,344,878	\$43,974,540
43	accumulated operating provisions	\$894,558	\$848,805
44	total other noncurrent liabilities	\$894,558	\$848,805
45	notes payable	\$0	\$0
46	accounts payable	\$2,053,996	\$2,000,298
47	customer deposits	\$820,808	\$787,683
51	other current & accured liaibilities	\$1,356,643	\$1,311,404
48	current maturties long term debt	\$1,942,605	\$1,843,249
	total current & accrued liabilities	\$6,174,052	\$5,942,635
54	deferred credits	\$3,443,898	\$2,884,483
	TOTAL LIABILITIES & OTHER CREDITS	\$73,616,841	\$69,685,167

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

BORROWER DESIGNATION AZ0013

FINANCIAL AND STATISTICAL REPORT

PERIOD ENDED
December, 2006

INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.

BORROWER NAME

This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.

NAVOPACHE ELEC COOP INC

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII
(check one of the following)

☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

Don J. Miles

2-6-07
DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	THIS MONTH (d)
1. Operating Revenue and Patronage Capital	37,064,268	38,160,523	36,611,296	3,633,923
2. Power Production Expense	0			
3. Cost of Purchased Power	19,085,112	19,306,982	18,305,648	1,982,046
4. Transmission Expense	106,522	98,351	192,476	5,922
5. Distribution Expense - Operation	3,240,086	3,233,100	3,207,629	313,809
6. Distribution Expense - Maintenance	1,801,701	1,860,728	2,032,882	170,857
7. Customer Accounts Expense	2,520,611	2,498,179	2,621,212	272,583
8. Customer Service and Informational Expense	286,657	301,715	371,468	43,477
9. Sales Expense	165,054	234,966	152,957	21,534
10. Administrative and General Expense	3,510,762	3,294,684	3,852,300	386,953
11. Total Operation & Maintenance Expense (2 thru 10)	30,716,505	30,828,705	30,736,572	3,197,181
12. Depreciation and Amortization Expense	2,717,911	2,877,961	3,025,441	246,989
13. Tax Expense - Property & Gross Receipts	13,362	22,154	17,020	2,317
14. Tax Expense - Other	47,857	44,203	39,421	165
15. Interest on Long-Term Debt	1,913,208	2,266,328	2,330,812	193,925
16. Interest Charged to Construction - Credit	0			
17. Interest Expense - Other	30,347	41,358	28,000	3,933
18. Other Deductions	6,507	24,890	31,508	542
19. Total Cost of Electric Service (11 thru 18)	35,445,697	36,105,599	36,208,774	3,645,052
20. Patronage Capital & Operating Margins (1 minus 19)	1,618,571	2,054,924	402,522	(11,129)
21. Non Operating Margins - Interest	170,010	249,650	110,499	27,733
22. Allowance for Funds Used During Construction	0			
23. Income (Loss) from Equity Investments	0			
24. Non Operating Margins - Other	(56,292)	(65,862)	(15,000)	(3,179)
25. Generation and Transmission Capital Credits	0			
26. Other Capital Credits and Patronage Dividends	69,925	93,235	56,707	7,788
27. Extraordinary Items	0			
Patronage Capital or Margins (20 thru 27)	1,802,214	2,331,947	554,728	21,213

USDA - RUS		BORROWER DESIGNATION	
FINANCIAL AND STATISTICAL REPORT		AZ0013	
INSTRUCTIONS - See RUS Bulletin 1717B-2		PERIOD ENDED	
		December, 2006	

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	1,597	1,932	5. Miles Transmission	238.11	270.00
2. Services Retired	152	168	6. Miles Distribution - Overhead	2,435.17	2,564.00
3. Total Services in Place	38,823	40,587	7. Miles Distribution - Underground	536.21	526.00
4. Idle Services (Exclude Seasonals)	2,126	2,299	8. Total Miles Energized (5 + 6 + 7)	3,209.49	3,360.00

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	98,813,958	29. Memberships.....	157,565
2. Construction Work in Progress	3,404,161	30. Patronage Capital.....	17,136,625
3. Total Utility Plant (1 + 2)	102,218,119	31. Operating Margins - Prior Years.....	(3,773,577)
4. Accum. Provision for Depreciation and Amort	40,684,815	32. Operating Margins - Current Year.....	2,148,158
5. Net Utility Plant (3 - 4)	61,533,304	33. Non-Operating Margins.....	183,788
6. Non-Utility Property (Net)	0	34. Other Margins and Equities.....	906,896
7. Investments in Subsidiary Companies	0	35. Total Margins & Equities (29 thru 34).....	16,759,455
8. Invest. in Assoc. Org. - Patronage Capital	319,322	36. Long-Term Debt - RUS (Net).....	38,957,658
9. Invest. in Assoc. Org. - Other - General Funds	114,902	37. Long-Term Debt - FFB - RUS Guaranteed.....	0
10. Invest. in Assoc. Org. - Other - Nongeneral Funds..	1,350,007	38. Long-Term Debt - Other - RUS Guaranteed.....	0
11. Investments in Economic Development Projects	0	39. Long-Term Debt Other (Net).....	7,387,220
12. Other Investments	56,054	40. Long-Term Debt - RUS - Econ. Devel. (Net).....	0
13. Special Funds	0	41. Payments - Unapplied	0
14. Total Other Property & Investments (6 thru 13) ...	1,840,285	42. Total Long-Term Debt (36 thru 40 - 41).....	46,344,878
15. Cash - General Funds	313,733	43. Obligations Under Capital Leases - Noncurrent.....	894,558
16. Cash - Construction Funds - Trustee	5	44. Accumulated Operating Provisions and Asset Retirement Obligations..	0
17. Special Deposits	252,633	45. Total Other Noncurrent Liabilities (43 + 44).....	894,558
18. Temporary Investments	3,350,988	46. Notes Payable.....	0
19. Notes Receivable (Net)	7,119	47. Accounts Payable.....	2,053,996
20. Accounts Receivable - Sales of Energy (Net)	2,817,789	48. Consumers Deposits.....	820,808
21. Accounts Receivable - Other (Net)	150,648	49. Current Maturities Long-Term Debt.....	1,942,605
22. Materials and Supplies - Electric & Other	2,640,607	50. Current Maturities Long-Term Debt -Economic Development.....	0
23. Prepayments	254,997	51. Current Maturities Capital Leases.....	0
24. Other Current and Accrued Assets	201,803	52. Other Current and Accrued Liabilities.....	1,356,643
25. Total Current and Accrued Assets (15 thru 24)	9,990,322	53. Total Current & Accrued Liabilities (45 thru 52).....	6,174,052
26. Regulatory Assets	0	54. Regulatory Liabilities.....	0
27. Other Deferred Debits	252,930	55. Other Deferred Credits.....	3,443,898
28. Total Assets and Other Debits (5+14+25 thru 27)..	73,616,841	56. Total Liabilities and Other Credits (35+ 42 + 45 + 53 thru 55).....	73,616,841

USDA-RUS

FINANCIAL AND STATISTICAL REPORT

INSTRUCTIONS - See RUS Bulletin 1717B-2

BORROWER DESIGNATION

AZ0013

PERIOD ENDED

December, 2006

PART D. NOTES TO FINANCIAL STATEMENTS

USDA - RUS		BORROWER DESIGNATION	
FINANCIAL AND STATISTICAL REPORT		AZ0013	
INSTRUCTIONS - See RUS Bulletin 1717B-2		PERIOD ENDED	
		December, 2006	

PART E. CHANGES IN UTILITY PLANT

PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFER (d)	BALANCE END OF YEAR (e)
1. Distribution Plant	67,844,284	6,168,459	888,140		73,124,603
2. General Plant	10,444,739	1,496,787	636,934		11,304,592
3. Headquarters Plant	1,651,000	71,042			1,722,042
4. Intangibles	228,075				228,075
5. Transmission Plant	6,628,525	5,519,395	129,432		12,018,488
6. All Other Utility Plant	416,158				416,158
7. Total Utility Plant in Service (1 thru 6)	87,212,781	13,255,683	1,654,506		98,813,958
8. Construction Work in Progress	9,988,497	(6,584,336)			3,404,161
9. TOTAL UTILITY PLANT (7 + 8)	97,201,278	6,671,347	1,654,506		102,218,119

PART F. MATERIALS AND SUPPLIES

ITEM	BALANCE BEGINNING OF YEAR (a)	PURCHASED (b)	SALVAGED (c)	USED (NET) (d)	SOLD (e)	ADJUSTMENT (f)	BALANCE END OF YEAR (g)
1. Electric	2,336,460	2,441,582	94,320	2,309,623	7,430	15,567	2,570,876
2. Other	63,875	201,824		146,413		(49,555)	69,731

PART G. SERVICE INTERRUPTIONS

ITEM	AVERAGE HOURS PER CONSUMER BY CAUSE				TOTAL (e)
	POWER SUPPLIER (a)	EXTREME STORM (b)	PREARRANGED (c)	ALL OTHER (d)	
1. Present Year	.14	.97	.06	.70	1.87
2. Five-Year Average	.68	1.39	.18	1.39	3.64

PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS

1. Number of Full Time Employees	110	4. Payroll - Expensed	4,943,876
2. Employee - Hours Worked - Regular Time	277,437	5. Payroll - Capitalized	1,264,979
3. Employee - Hours Worked - Overtime	10,369	6. Payroll - Other	481,390

PART I. PATRONAGE CAPITAL

ITEM	DESCRIPTION	THIS YEAR (a)	CUMULATIVE (b)
1. Capital Credits - Distributions	a. General Retirements	0	2,654,881
	b. Special Retirements	112,055	1,374,643
	c. Total Retirements (a + b)	112,055	4,029,524
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power		
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	63,977	
	c. Total Cash Received (a + b)	63,977	

PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE

1. AMOUNT DUE OVER 60 DAYS	\$ 49,749	2. AMOUNT WRITTEN OFF DURING YEAR	\$ 51,272
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Part K. kWh PURCHASED AND TOTAL COST

No	ITEM (a)	RUS USE ONLY SUPPLIER CODE (b)	kWh PURCHASED (c)	TOTAL COST (d)	AVERAGE COST (Cents/kWh) (e)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT (f)	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES (g)
1	Public Service Company of NM	15473	431,174,346	19,414,566	4.50		
2	*Adjustments	600000		(107,584)			
	Total		431,174,346	19,306,982	4.48		

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PART L. LONG-TERM LEASES

No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
1	Phillip Swapp	land	1,000
2	Jeanne Hatch	land	3,600
3	Evelyn Jefferies	land	3,600
4	Jefferson Larson	land	7,200
5	Tensey Houghton	ROW	50
6	Arizona State Land Department	ROW	4,153
	Total		19,603

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PART M. ANNUAL MEETING AND BOARD DATA

1. Date of Last Annual Meeting 9/9/2006	2. Total Number of Members 31,513	3. Number of Members Present at Meeting 193	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail	6. Total Number of Board Members 8	7. Total Amount of Fees and Expenses for Board Members \$ 151,985	8. Does Manager Have Written Contract? N

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PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS

No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)	38,957,658	1,798,160	1,279,170	3,077,330
2	National Rural Utilities Cooperative Finance Corporation	7,387,220	468,169	1,008,492	1,476,661
3	Bank for Cooperatives				
4	Federal Financing Bank				
5	RUS - Economic Development Loans				
6	Payments Unapplied				
	Total	46,344,878	2,266,329	2,287,662	4,553,991

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PART O. POWER REQUIREMENTS DATA BASE - ANNUAL SUMMARY

CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER (a)	AVERAGE NO. CONSUMERS SERVED (b)	TOTAL YEAR TO DATE (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	23,285	22,707	
	b. kWh Sold			172,335,533
	c. Revenue			17,306,064
2. Residential Sales - Seasonal	a. No. Consumers Served	11,330	11,439	
	b. kWh Sold			45,489,586
	c. Revenue			5,668,528
3. Irrigation Sales	a. No. Consumers Served	55	55	
	b. kWh Sold			7,199,780
	c. Revenue			634,721
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	3,663	3,633	
	b. kWh Sold			138,550,456
	c. Revenue			11,833,077
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	5	5	
	b. kWh Sold			29,312,280
	c. Revenue			1,794,573
6. Public Street & Highway Lighting	a. No. Consumers Served	100	97	
	b. kWh Sold			674,299
	c. Revenue			83,698
7. Other Sales to Public Authorities	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
9. Sales for Resale - Other	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
10. TOTAL No. of Consumers (lines 1a thru 9a)		38,438	37,936	
11. TOTAL kWh Sold (lines 1b thru 9b)				393,561,934
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)				37,320,661
13. Other Electric Revenue				839,862
14. kWh - Own Use				1,024,405
15. TOTAL kWh Purchased				431,174,346
16. TOTAL kWh Generated				
17. Cost of Purchases and Generation				19,405,333
. Interchange - kWh - Net				
19. Peak - Sum All kW Input (Metered) Non-coincident _____ Coincident <u>X</u>				73,192

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PART I. INVESTMENTS

No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
2	Investments in Associated Organizations				
	CFC Patronage Capital	256,309		56,936	
	ERMCO Patronage Capital	26,066			
	NISC Patronage Capital	36,036		22,336	
	AECI Patronage Capital	545		681	
	Touch Stone	366			
	Federated Stock	114,702		13,281	
	ERMCO Membership	100			
	GCSECA Membership	100			
	CFC Capital Term Certificates		1,350,007		
	Totals	434,224	1,350,007	93,234	
4	Other Investments				
	RUS-ERC Weatherization Loans	56,054		1,609	
	Totals	56,054		1,609	
6	Cash - General				
	Cash General - Bank One		(17,593)		
	Cash General - Well Fargo		33,302		
	Cash General - Capital Credits - Bank One		1,292		
	Cash General - Bank One - Payroll		999		
	Cash General - Catron		6,372		
	Cash General - 125 MRB - Bank One		917		
	Cash General - Community First	41,482	100,000		
	Cash General - Ebill - Bank One	44,112	100,000		
	Cash General - Working Funds NEC	2,850			
	Totals	88,444	225,289		
7	Special Deposits				
	ACC EPS - Chase	252,633			
	Totals	252,633			
8	Temporary Investments				
	Sweep Trust - Chase		3,350,988		
	Totals		3,350,988		
9	Accounts and Notes Receivable - NET				
	Accounts and Notes Receivable - Net	157,767		423	
	Totals	157,767		423	
11	TOTAL INVESTMENTS (1 thru 10)	989,122	4,926,284	95,266	

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PART II. LOAN GUARANTEES

No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
	Total				
	TOTAL (Include Loan Guarantees Only)				

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Part III. RATIO

RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT

(Total Of Included Investments (Part I, 11b) and Loan Guarantees - Loan Balance (Part II, 5d) to Total Utility Plant (Form 7, Part C, Line 3))

.96 %

PART IV. LOANS

No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1	Employees, Officers, Directors		18,665	7,119	
2	Energy Resources Conservation Loans		81,734	56,054	
	Total		100,399	63,173	